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15 AAC 75.030(a) is repealed:

(a) [THE PERSON ENGAGING IN A FISHERIES BUSINESS WHO FIRST ACTUALLY AND PHYSICALLY PROCESSES A FISHERIES RESOURCE IS LIABLE FOR AND SHALL PAY TO THE DEPARTMENT THE ENTIRE TAX IMPOSED UNDER AS 43.75.015. IF TWO OR MORE PERSONS PERFORM SEPARATE STEPS IN THE PROCESSING OF THE SAME FISHERIES RESOURCE, THE FIRST PERSON WHO PERFORMS A PROCESSING STEP IS LIABLE FOR AND SHALL PAY THE TAX. THIS SECTION APPLIES TO THE PERIOD JUNE 1, 1979 THROUGH DECEMBER 31, 1980.]

Repealed ____/____/____.

(Eff. 9/9/81, Register 79; am 9/18/81, Register 80; repealed ____/____/____, Register ____)

Authority: AS 43.05.080 AS 43.75.015(c)

15 AAC 75.040(a) is repealed:

(a) [FOR PERIODS BEFORE JANUARY 1, 1981, THE DEPARTMENT MAY REQUIRE A PERSON CONTRACTING WITH A CUSTOM PROCESSOR FOR FISHERIES RESOURCE PROCESSING TO FURNISH THE CUSTOM PROCESSOR OR THE DEPARTMENT WITH A STATEMENT OF VALUE FOR THE RESOURCE PROCESSED BY THE CUSTOM PROCESSOR. THE STATEMENT OF VALUE MUST REPORT THE SPECIES OF FISHERIES RESOURCES PROCESSED, THE TOTAL POUNDS OF EACH SPECIES, AND THE ACTUAL VALUE BY SPECIES, AS DETERMINED IN ACCORDANCE WITH AS 43.75.290.] Repealed ____/____/____.

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15 AAC 75.040(b) is repealed:

(b) [THE CUSTOM PROCESSOR IS LIABLE FOR AN ADDITIONAL TAX ASSESSMENT, IF ANY, UNLESS THE CUSTOM PROCESSOR OBTAINS FROM THE OWNER OF THE FISHERIES RESOURCE AN ASSUMPTION OF LIABILITY FOR AN INCORRECT STATEMENT OF VALUE AND THE OWNER PAYS ANY ADDITIONAL TAX ASSESSED RESULTING FROM THE INCORRECT STATEMENT OF VALUE.]

Repealed ____/____/____.

15 AAC 75.040(e) is amended to read:

(e) The records of the owner of the fisheries resource shall be open to audit for purposes of verifying the values reported under [(a) AND] (c) of this section. The owner's records shall be subject to the same statute of limitations as the records of a fisheries business. (Eff. 9/9/81, Register 79; am 9/18/81, Register 80; am 1/16/82, Register 81; am 12/26/2014, Register 212; am ____/____/____, Register ____)

Authority: AS 43.05.080 AS 43.75.015 AS 43.75.290

15 AAC 75.060 is repealed and readopted to read:

[15 AAC 75.060. EXPENDITURES ELIGIBLE FOR TAX CREDIT. THE FOLLOWING EQUIPMENT AND DEPRECIABLE PROPERTY ARE CAPITAL EXPENDITURES ELIGIBLE FOR FISHERIES BUSINESS TAX CREDITS UNDER AS 43.75.032:

(1) REFRIGERATION EQUIPMENT, OR NEW PLANT CONSTRUCTION OR IMPROVEMENTS MADE TO DEPRECIABLE PROPERTY WHICH ARE INTEGRALLY

RELATED TO THE ORIGINAL INSTALLATION OF REFRIGERATION EQUIPMENT, IF THE EQUIPMENT, CONSTRUCTION, OR IMPROVEMENTS ARE DEDICATED TO AND NECESSARY FOR THE PERFORMANCE OF THE FOLLOWING FUNCTIONS AT A SHORE-BASED SEAFOOD PROCESSING FACILITY IN ALASKA:

(A) MANUFACTURING, STORING, AND DELIVERING OF ICE;

(B) REFRIGERATED HOLDING OR STORING OF PROCESSED SEAFOOD PRODUCTS, RAW FISH, OR SHELLFISH BEFORE PROCESSING OR SHIPMENT; OR

(C) SEAFOOD PRODUCT FREEZING;

(2) FISH PROCESSING EQUIPMENT, OR NEW PLANT CONSTRUCTION OR IMPROVEMENTS MADE TO DEPRECIABLE PROPERTY WHICH ARE INTEGRALLY RELATED TO THE ORIGINAL INSTALLATION OF FISH PROCESSING EQUIPMENT, IF THE EQUIPMENT, CONSTRUCTION, OR IMPROVEMENTS ARE NECESSARY FOR THE MANUFACTURING OF THE FOLLOWING PRODUCTS AT A SHORE-BASED SEAFOOD PROCESSING FACILITY IN ALASKA:

(A) ROUND OR DRESSED FROZEN FISH OR SHELLFISH PRODUCTS;

(B) FRESH OR FROZEN CUT OR FORMED BONELESS PORTIONS;

(C) FRESH OR FROZEN FILLET PRODUCTS;

(D) COMMINUTED OR MINCED FISH PRODUCTS OR PRODUCTS THAT ARE BASED ON THE USE OF COMMINUTED OR MINCED FISH;

(E) SURIMI OR PRODUCTS THAT ARE BASED ON THE USE OF SURIMI;

(F) FISH OR SHELLFISH MEAL, OIL, SOLUBLES, PROTEIN
DERIVATIVES, PHARMACEUTICALS, OR BIOCHEMICALS;

(G) CANNED SALMON;

(H) SMOKED OR CURED SEAFOOD PRODUCTS;

(I) FISH OR SHELLFISH PRODUCTS PRESERVED BY NEW OR
NONTRADITIONAL METHODS, INCLUDING ASEPTIC HANDLING,
IRRADIATION, CONTROLLED ATMOSPHERE STORAGE, OR THE
APPLICATION OF CHEMICALS;

(3) TO BE ELIGIBLE UNDER (2) OF THIS SECTION, THE EQUIPMENT,
CONSTRUCTION, OR IMPROVEMENTS MUST BE DEDICATED TO AND NECESSARY
FOR APPROPRIATE PROCESSING FUNCTIONS, SUCH AS VESSEL UNLOADING, RAW
MATERIAL OR FINISHED PRODUCT STORAGE, WEIGHING, ROE SEPARATION,
CUTTING, SKINNING, BONE SEPARATION, CAN FILLING, FORMING, WASHING,
MIXING, GRINDING, PUMPING, CONCENTRATING, CAN SEAMING, COOKING,
RETORTING, DRYING, PRESSING, CAN WASHING, PACKAGING, LABELING, OR THE
ADDITION OF CHEMICALS, COLORS, OR FLAVORING.]

**15 AAC 75.060. Qualified investments eligible for the fisheries product development
tax credit.** (a) To be eligible for the credit under AS 43.75.037, depreciable tangible personal
property claimed as the basis of a “qualified investment” must:

(1) be first used for its intended purpose in the state after July 7, 2022 and before
January 1, 2027;

(2) have a useful life of three years or more;

(3) fall into one of the following categories:

(A) new processing equipment, conveyors used specifically in the act of producing a value-added eligible fish product, ice-making machines, canning equipment for herring products, and equipment used to transform eligible fish byproduct into saleable product;

(B) new canning equipment for salmon products; or

(C) new parts necessary for converting a canned salmon line to produce can sizes other than 14.75 ounces or 7.5 ounces, or costs associated with that conversion; and

(4) be used primarily either to

(A) process salmon or herring, if installed on a vessel; or

(B) process salmon, herring, pollock, sablefish, or Pacific cod, if installed in a shore-based plant.

(b) For qualified investment property on which a tax credit is claimed under AS 43.75.037 to be “used predominantly to perform [a] . . . processing, packaging, or product-finishing function” the property must have direct contact with the eligible fish while actively performing the relevant processing, packaging, or product-finishing function. Property that fills a passive, secondary, or incidental role in the relevant processing, packaging, or product finishing function does not meet this requirement.

(c) For purposes of AS 43.75.037 and this section,

(1) “same type of property” means property or equipment that performs the same or similar ice-making, processing, packaging, or product-finishing function as property purchased in the previous 10 years on which a tax credit has been claimed under AS 43.75.037;

(2) “shore-based plant” means “shore-based fisheries business” as defined under AS 43.75.290(5) and 15 AAC 75.290; and

(3) “vessel” means “floating fisheries business” as defined under AS 43.75.290(4).

(d) A fisheries business, whether it operates in the state one or more vessels, shore-based plants, or a combination of both, may claim a credit under AS 43.75.037 for new property of the same type as property purchased in the previous 10 years on which a tax credit has been claimed under AS 43.75.037 only if neither property has been removed from the state. To claim a credit under these circumstances a fisheries business shall submit to the department:

(1) an application in accordance with 15 AAC 75.070, along with any documentation that the department requires, for a preliminary determination of whether the proposed new property qualifies for the credit;

(2) a disclosure, along with any documentation that the department requires, that the fisheries business has already received a credit for the same type of property; and

(3) a certification under penalty of perjury that neither the property purchased in the previous 10 years on which a tax credit has been claimed under AS 43.75.037 nor the proposed new property have been removed from the state.

(e) A fisheries business shall notify the department within 30 days of when property purchased in the previous 10 years on which it has claimed and received a tax credit under AS 43.75.037:

(1) has been disposed of by the fisheries business;

(2) ceases to be qualified investment property;

(3) is removed from service; or

(4) is removed from the state.

(f) If a fisheries business claims a credit under AS 43.75.037 for new property that is the same type of property as property purchased in the previous 10 years on which a tax credit has been claimed under AS 43.75.037, it shall provide documentation to the department establishing that the property on which the tax credit was previously claimed has not been removed from the state. If the fisheries business fails to provide this documentation, the department will deny any requests for credit under AS 43.75.037 for the same type of property as property purchased in the previous 10 years on which a tax credit has been claimed under AS 43.75.037. (Eff. 12/16/86, Register 101; am ___/___/____, Register ___)

Authority: AS 43.05.080 AS 43.75.037 AS 43.75.290

 [AS 43.75.032] [AS 43.75.140]

15 AAC 75.070 is repealed and readopted to read:

[15 AAC 75.070. APPLICATION FOR FISHERIES BUSINESS TAX CREDIT. TO QUALIFY FOR THE FISHERIES BUSINESS TAX CREDIT FOR ELIGIBLE EXPENDITURES, AS DEFINED IN 15 AAC 75.060, MADE BETWEEN JULY 1, 1986 AND DECEMBER 31, 1989, A FISHERIES BUSINESS MUST APPLY FOR THE CREDIT IN ADVANCE OF THE CAPITAL EXPENDITURE ON FORMS PRESCRIBED BY THE DEPARTMENT. ON THE FORM, THE FISHERIES BUSINESS SHALL PROVIDE THE FOLLOWING INFORMATION:

(1) THE NAME OF FISHERIES BUSINESS;

(2) THE FISHERIES BUSINESS LICENSE NUMBER OF EACH PROCESSING FACILITY OWNED BY THE FISHERIES BUSINESS;

- (3) THE MAILING ADDRESS FOR THE FISHERIES BUSINESS;
- (4) TELEPHONE NUMBER FOR THE FISHERIES BUSINESS;
- (5) THE LOCATION OF THE PROCESSING FACILITY FOR WHICH ELIGIBLE EXPENDITURES WILL BE MADE;
- (6) A LIST OF ALL EQUIPMENT AND IMPROVEMENTS TO DEPRECIABLE PROPERTY TO BE PURCHASED OR CONSTRUCTED AND A DESCRIPTION OF THEIR FUNCTIONS RELATED TO THE PROCESSING OF FISH;
- (7) THE APPROXIMATE COST OF EACH PIECE OF EQUIPMENT OR IMPROVEMENT TO DEPRECIABLE PROPERTY TO BE PURCHASED OR CONSTRUCTED;
- (8) THE ESTIMATED DATE THAT THE EQUIPMENT OR IMPROVEMENT TO DEPRECIABLE PROPERTY IS TO BE PURCHASED OR CONSTRUCTED, AND THE DATE IT FIRST WILL BE PLACED INTO SERVICE;
- (9) IF USED EQUIPMENT OR A USED IMPROVEMENT TO DEPRECIABLE PROPERTY IS TO BE PURCHASED, A LIST OF THE NAMES OF THE PREVIOUS OWNERS OF THE EQUIPMENT OR IMPROVEMENT, AND THE DATES OF THEIR OWNERSHIP.]

15 AAC 75.070. Application for the fisheries product development tax credit. A fisheries business may, using a form provided by the department, apply for the tax credit before it incurs the qualified-investment cost on which it intends to claim a credit under AS 43.75.037. The application must include:

- (1) the name of the fisheries business;

(2) the fisheries business license number of each vessel and shore-based plant owned by the fisheries business;

(3) the mailing address for the fisheries business;

(4) the telephone number for the fisheries business;

(5) the location of the vessel and shore-based plant for which eligible expenditures will be made;

(6) a list of all equipment and improvements to depreciable tangible personal property to be purchased or constructed and a description of their functions related to the processing of eligible fish;

(7) the approximate cost of each piece of equipment or improvement to depreciable tangible personal property to be purchased or constructed; and

(8) the estimated date that the equipment or improvement to depreciable tangible personal property is to be purchased or constructed, and the date it first will be placed into service. (Eff. 12/16/86, Register 101; am ___/___/___, Register ___)

Authority: AS 43.05.080 Sec. 6, ch. 79, **AS 43.75.037**
[AS 43.75.032] SLA 1986

15 AAC 75.080 is repealed:

[15 AAC 75.080. PLACED IN SERVICE RULE. (a) IN ORDER FOR A CREDIT TO BE APPLIED AGAINST A FISHERIES BUSINESS TAX LIABILITY, THE EQUIPMENT OR IMPROVEMENT TO DEPRECIABLE PROPERTY THAT IS THE SUBJECT OF THE CREDIT MUST BE EFFECTIVELY PLACED IN SERVICE IN THE STATE.

(b) EQUIPMENT OR IMPROVEMENTS TO DEPRECIABLE PROPERTY WILL BE CONSIDERED TO HAVE BEEN PLACED IN SERVICE IN THE EARLIER OF THE FOLLOWING TAX YEARS:

(1) THE TAX YEAR IN WHICH, UNDER THE TAXPAYER'S DEPRECIATION PRACTICE, THE PERIOD FOR DEPRECIATION WITH RESPECT TO SUCH IMPROVEMENTS OR EQUIPMENT BEGINS; OR

(2) THE TAX YEAR IN WHICH THE EQUIPMENT OR IMPROVEMENT TO DEPRECIABLE PROPERTY IS PLACED IN A CONDITION OR STATE OF READINESS AND AVAILABILITY FOR A SPECIFICALLY ASSIGNED FUNCTION INTEGRALLY RELATED TO THE MANUFACTURE OF SEAFOOD PRODUCTS OR FISH PROCESSING FUNCTIONS DESCRIBED IN 15 AAC 75.060.

(c) IF OTHERWISE QUALIFYING AS AN ELIGIBLE EXPENDITURE, THE FOLLOWING PROPERTY WILL BE CONSIDERED IN A STATE OF READINESS AND AVAILABILITY:

(1) PARTS ACQUIRED AND SET ASIDE DURING THE TAX YEAR FOR USE AS REPLACEMENTS FOR A PARTICULAR MACHINE IN ORDER TO AVOID OPERATIONAL TIME LOSS;

(2) OPERATIONAL FISH PROCESSING EQUIPMENT ACQUIRED DURING A TAX YEAR, WHERE IT IS NOT PRACTICABLE TO USE THE EQUIPMENT FOR ITS SPECIFICALLY ASSIGNED FUNCTION IN THE FISHERIES BUSINESS UNTIL THE FOLLOWING YEAR; AND

(3) EQUIPMENT ACQUIRED FOR A SPECIFICALLY ASSIGNED FUNCTION WHICH IS OPERATIONAL BUT WHICH IS UNDERGOING TESTING TO ELIMINATE DEFECTS.

(d) IF THE DEPARTMENT HAS DETERMINED THAT CERTAIN EXPENDITURES ARE ELIGIBLE FOR TAX CREDIT, BUT THE EXPENDITURES DO NOT REFLECT THE FULL COST OF THE EQUIPMENT OR IMPROVEMENT TO DEPRECIABLE PROPERTY BECAUSE THE TOTAL AMOUNT TO BE PAID OR INCURRED BY THE TAXPAYER IS INDETERMINATE, CREDIT WILL BE ALLOWED TO THE TAXPAYER FOR THE FIRST TAX YEAR WITH RESPECT TO SO MUCH OF THE COST AS HAS BEEN PAID OR INCURRED AS OF THE CLOSE OF THAT YEAR, AND ADDITIONAL CREDIT WILL BE ALLOWED TO THE TAXPAYER FOR SUBSEQUENT ELIGIBLE TAX YEARS WITH RESPECT TO ADDITIONAL EXPENDITURES MADE DURING EACH SUBSEQUENT YEAR.

(e) NOTWITHSTANDING (a)–(d) OF THIS SECTION AND FOR FISHERIES BUSINESS TAX CREDIT COMPUTATION PURPOSES ONLY, EQUIPMENT OR IMPROVEMENTS TO DEPRECIABLE PROPERTY PLACED IN SERVICE FROM JULY 1, 1986 THROUGH DECEMBER 31, 1986 WILL BE CONSIDERED TO HAVE BEEN FIRST PLACED IN SERVICE IN TAX YEAR 1987.]

15 AAC 75.080. Placed in service rule. Repealed. (Eff. 8/12/87, Register 103; repealed ____/____/____, Register ____)

Authority: AS 43.05.080 Sec. 6, ch. 79,
AS 43.75.032 SLA 1986

15 AAC 75.085 is repealed:

[15 AAC 75.085. EXCEPTION TO PLACED-IN-SERVICE RULE. (a) A FISHERIES BUSINESS IS ENTITLED TO A CREDIT FOR THOSE EXPENDITURES ACTUALLY MADE THROUGH DECEMBER 31, 1989 AND APPROVED BY THE DEPARTMENT FOR IMPROVEMENTS MADE TO DEPRECIABLE PROPERTY OR FOR NEW PLANT CONSTRUCTION, EVEN THOUGH IMPROVEMENTS OR CONSTRUCTION WERE NOT COMPLETED AND THE FACILITY WAS NOT PLACED IN SERVICE AS OF DECEMBER 31, 1989 IF THE FOLLOWING CONDITIONS ARE MET:

(1) THE EXPENDITURES FOR THE CONSTRUCTION OF A NEW PLANT OR PLANT IMPROVEMENTS WERE SUBSTANTIALLY MADE ON OR BEFORE DECEMBER 31, 1989;

(2) FACTS AND CIRCUMSTANCES BEYOND THE CONTROL OF THE FISHERIES BUSINESS TAKING THE CREDIT DELAYED OR POSTPONED THE PLACING IN SERVICE OF THE FACILITY OR IMPROVEMENTS BEYOND DECEMBER 31, 1989;

(3) COMPLETION OF THE IMPROVEMENTS OR CONSTRUCTION, AND PLACEMENT OF THE IMPROVEMENTS OR FACILITY INTO USEFUL SERVICE ARE MADE BEFORE DECEMBER 31, 1990; AND,

(4) THE FISHERIES BUSINESS APPLIES FOR AND RECEIVES FROM THE DEPARTMENT, AS PROVIDED IN THIS SECTION, A WAIVER FROM THE PLACED-IN-SERVICE RULE AS PROVIDED BY 15 AAC 75.080.

(b) ON OR BEFORE THE DUE DATE OF ITS 1989 FISHERIES BUSINESS TAX RETURN, A FISHERIES BUSINESS SHALL APPLY IN WRITING TO THE DEPARTMENT

FOR A WAIVER FROM THE PLACED-IN-SERVICE RULE AND PROVIDE THE FOLLOWING INFORMATION:

(1) THE STATUS OF THE CONSTRUCTION AND VERIFICATION THAT CONSTRUCTION OF THE FACILITY WAS SUBSTANTIALLY COMPLETE AS OF DECEMBER 31, 1989;

(2) THE CURRENT STATUS OF THE CONSTRUCTION AS OF THE TIME OF APPLYING FOR THE WAIVER; AND,

(3) A COMPLETE EXPLANATION OF THOSE FACTS AND CIRCUMSTANCES THAT DELAYED OR POSTPONED COMPLETION OF THE CONSTRUCTION BEYOND DECEMBER 31, 1989.

(c) A FISHERIES BUSINESS IS NOT ENTITLED TO A TAX CREDIT FOR EXPENDITURES MADE BEFORE DECEMBER 31, 1989 IF IT FAILS TO OBTAIN A WAIVER FROM THE PLACED-IN-SERVICE RULE

(1) BEFORE CLAIMING CREDIT FOR THOSE EXPENDITURES ON ITS FISHERIES BUSINESS TAX RETURN; OR,

(2) BEFORE THE DUE DATE OF THE RETURN, WHICHEVER IS EARLIER.

(d) FOR PURPOSES OF THIS SECTION, "SUBSTANTIALLY COMPLETE" MEANS THAT MORE THAN 50 PERCENT OF THE TOTAL EXPENDITURES FOR APPROVED IMPROVEMENTS OR NEW PLANT CONSTRUCTION WERE MADE BY DECEMBER 31, 1989.

(e) CREDIT IS LIMITED IN ALL CASES TO THOSE EXPENDITURES ACTUALLY MADE BEFORE JANUARY 1, 1990.]

15 AAC 75.085. Exception to placed-in-service rule. Repealed. (Eff. 12/22/89, Register 113; repealed ___/___/___, Register ___)

Authority: AS 43.05.080 AS 43.75.032

15 AAC 75.090 is repealed and readopted to read:

[15 AAC 75.090. LIMITATION ON CREDIT. (a) IF A TAXPAYER IS OPERATING BOTH SHORE-BASED AND FLOATING FISH PROCESSOR FACILITIES IN THE SAME TAX YEAR THAT ELIGIBLE CAPITAL EXPENDITURES ARE MADE, THE TOTAL CREDIT THAT MAY BE CLAIMED IN THAT TAX YEAR MAY NOT EXCEED 50 PERCENT OF THE TAXPAYER'S COMBINED FISHERIES BUSINESS TAX LIABILITY INCURRED AT ALL OF THE TAXPAYER'S FISH PROCESSING FACILITIES. HOWEVER, IN NO EVENT WILL THE FISHERIES BUSINESS TAX CREDIT GENERATED AT A PROCESSING FACILITY IN ONE TAX YEAR BE APPLIED TO THE FISHERIES BUSINESS TAX LIABILITY INCURRED AT ANOTHER PROCESSING FACILITY IN A SUBSEQUENT YEAR IF THE OTHER FACILITY WAS NOT OWNED BY THE TAXPAYER IN THE TAX YEAR THE CAPITAL EXPENDITURE WAS MADE. THE FOLLOWING ARE ILLUSTRATIVE EXAMPLES:

(1) COMPANY F SOLELY OWNS AND OPERATES A SHORE-BASED PROCESSING FACILITY IN ALASKA AND A FLOATING FREEZERSHIP. IN 1987, THE COMPANY SPENT \$1,000,000 IN ADDING NEW REFRIGERATION EQUIPMENT AND CAPACITY TO ITS SHORE-BASED PLANT. THE COMPANY'S 1987 FISHERIES BUSINESS TAX LIABILITY AT ITS SHORE-BASED PLANT IS \$200,000 AND AT ITS FLOATING FACILITY IS \$50,000. THE 1987 FISH TAX CREDIT IS LIMITED TO

\$125,000, ONE-HALF OF THE COMBINED LIABILITIES OF BOTH FACILITIES. THE REMAINING \$375,000 CREDIT IS AVAILABLE TO OFFSET TAXES INCURRED IN TAX YEAR 1988.

(2) ASSUME THE SAME FACTS AS IN (1), EXCEPT THAT IN 1988 COMPANY F ACQUIRES A SECOND FLOATING FREEZERSHIP AND MAKES NO ADDITIONAL ELIGIBLE CAPITAL EXPENDITURES TO ITS SHORE-BASED FACILITY. FOR TAX YEAR 1988, THE NEW COMPANY HAS A FISH TAX LIABILITY AT ITS SHORE-BASED FACILITY OF \$200,000, AT THE ORIGINAL FLOATING FACILITY OF \$50,000 AND AT THE ACQUIRED FACILITY OF \$150,000. THE 1988 FISHERIES BUSINESS TAX CREDIT IS AGAIN LIMITED TO \$125,000. THE UNUSED CREDIT CANNOT BE USED TO OFFSET FISHERIES BUSINESS TAX INCURRED AT THE NEW FACILITY, WHICH WAS NOT OWNED IN THE YEAR THE RELEVANT CAPITAL EXPENDITURE WAS MADE.

(b) A FISHERIES BUSINESS TAX CREDIT WILL NOT BE APPROVED IF THE FISHERIES BUSINESS HAS ANY ARREARS OR OUTSTANDING LIABILITY TO THE STATE UNDER AS 43.75 WHICH COULD RESULT IN A LIEN UNDER AS 43.10.035(A), IRRESPECTIVE OF WHETHER THE ARREARS OR OUTSTANDING LIABILITY AROSE OUT OF THE BUSINESS ACTIVITY OF THE FACILITY FOR WHICH THE EXPENDITURE WAS MADE. AN AMOUNT PROPERLY AND TIMELY DISPUTED UNDER THE PROVISIONS OF AS 43.05.240, AND REGARDING WHICH THE APPEAL PROCESS UNDER AS 43.05.240 IS NOT CONCLUDED, DOES NOT CONSTITUTE AN AMOUNT IN ARREARS OR AN OUTSTANDING LIABILITY.

(c) NO CREDIT WILL BE APPROVED FOR OTHERWISE ELIGIBLE EXPENDITURES MADE TO ACQUIRE EQUIPMENT OR AN IMPROVEMENT TO DEPRECIABLE PROPERTY FROM ANOTHER FISHERIES BUSINESS IN WHICH THERE EXISTS SUBSTANTIAL COMMON OWNERSHIP. FOR PURPOSES OF THIS SUBSECTION, “SUBSTANTIAL COMMON OWNERSHIP” MEANS A 50 PERCENT OR GREATER DIRECT OR CONSTRUCTIVE OWNERSHIP INTEREST; CONSTRUCTIVE OWNERSHIP WILL BE DETERMINED ACCORDING TO THE PROVISIONS OF 26 U.S.C. 318 (INTERNAL REVENUE CODE § 318) IN EFFECT ON AUGUST 12, 1987.]

15 AAC 75.090. Limitation on credit. (a) If a fisheries business operates in the state one or more vessels, shore-based plants, or a combination of both in the same tax year that eligible qualified-investment costs are incurred, the fisheries business may not claim in that tax year a total credit under AS 43.75.037 greater than 50 percent of the fisheries business’s combined fisheries business tax liability incurred at all of the fisheries business’s vessels and shore-based plants.

(b) A fisheries business may not apply a tax credit under AS 43.45.037 that was generated in a tax year at a vessel or shore-based plant to its tax liability incurred in a subsequent tax year and at a different vessel or shore-based plant, unless the fisheries business owned both vessels or shore-based plants at the time the qualified-investment costs generating the tax credit were incurred.

(c) A fisheries business may not apply a tax credit under AS 43.75.037 received for property used to perform an ice-making, processing, packaging, or product-finishing function on eligible fish species, as defined under AS 43.75.037(k)(1), against its tax liability generated by a

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different species not included in the definition of “eligible fish” under AS 43.75.037(k)(1). (Eff.

8/12/87, Register 103; am ____/____/____, Register ____)

Authority: AS 43.05.080 Sec. 6, ch. 79, **AS 43.75.037**

[AS 43.75.032] SLA 1986